



UTAH STATE SENATE

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February 10, 2005

Mr. President:

The Business and Labor Committee reports a favorable recommendation on **S.B. 180**, WORKERS COMPENSATION - COMPETITIVE BID REQUIREMENTS, by Senator M. Waddoups, with the following amendments:

1. *Page 1, Lines 12 through 19:*

12 This bill:

▶ addresses the makeup of the Workers' Compensation Fund's board of directors;

13 ▶ deletes the requirement that state entities pay the Workers' Compensation Fund for

14 workers' compensation coverage;

15 ▶ requires that state entities seek competitive bids for workers' compensation insurance every three years in accordance with the Utah Procurement Code; and

17 {~~→ requires the Department of Insurance to determine the criteria and process for~~

18 ~~insurance companies submitting competitive bids; and~~}

19 ▶ makes technical changes.

▶ *Page 2, Lines 34 through 37:*

34 (3) One director {+} : (a) {+} shall be the executive director of the Department of

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35 Administrative Services or the executive director's designee~~[-and]~~ ~~{-}~~ ;
36 ~~{+}~~ (b) acts as the representative of the state as a policyholder of the Workers'
37 Compensation Fund. ~~{+}~~ ; and
(c) shall resign when required by Subsection (8).

▶ Page 2, Line 58 through Page 3, Line 60:

58 (8) (a) Any director who represents a policyholder that fails to maintain workers'
59 compensation insurance through the Workers' Compensation Fund shall immediately
resign

60 from the board including the executive director of the Department of
Administrative Services of the executive director's designee resigning on the day on
which no department, commission, board, or other agency of the state is insured by
the Workers' Compensation Fund pursuant to Section 34-2-203.

(b) If no department, commission, board, or other agency of the state is insured
by the Workers' Compensation Fund pursuant to Section 34A-2-203, the governor,
with the consent of the Senate, shall appoint a member to replace the executive
director of the Department of Administrative Services or the executive director's
designee. The member appointed under this Subsection (8)(b) shall:

(i) be an owner, officer, or employee of a policyholder that has been insured by
the Workers' Compensation Fund for at least one year before the appointment of
the director representing the policyholder; and

(ii) shall have the experience outlined in Subsection (7) .

▶ Page 3, Lines 73 through 75:

73 (b) Notwithstanding the requirements of Subsection (11)(a), the governor shall, at
the
74 time of appointment or reappointment, adjust the length of terms to ensure that the terms
of
75 directors are staggered so that approximately half of the appointed members of
the board ~~{-is}~~ are appointed every two years , provided that no more than
two directors may be appointed in a single year .

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► Page 5, Lines 124 through 134:

124 [Each] (1) ~~{(a)}~~ Beginning on the day on which any contract in effect on May
2, 2005,
125 between the state and the Workers' Compensation Fund for workers' compensation
coverage
126 terminates, each department, commission, board, or other agency of the state shall [pay
the
127 insurance premium on its employees direct to the Workers' Compensation Fund] obtain
128 workers' compensation insurance under this title by way of a competitive bid process.
129 ~~{(b)}~~ (2) The competitive bid process required by Subsection
(1) ~~{(a)}~~ shall:
130 ~~{(i)}~~ (a) occur once every three years; and
131 ~~{(ii)}~~ (b) be conducted in accordance with Title 63, Chapter 56, Utah
Procurement Code.
132 ~~{(2) Notwithstanding Subsection (1)(b), the Insurance Department shall~~
~~determine the~~
133 ~~criteria and process for an insurance carrier to bid for the opportunity to provide~~
~~workers'~~
134 ~~compensation insurance to a department, commission, board, or other agency of the~~
~~state.}~~

Respectfully,

Scott K. Jenkins
Committee Chair

Voting: 7-0-2

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